

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**

**UNSTARRED QUESTION NO. 3912**

TO BE ANSWERED ON MONDAY, MARCH 28, 2022/CHAITRA 7, 1944 (SAKA)

**TAX UNDER SECTION 194N OF INCOME TAX ACT**

3912. ADV. DEAN KURIAKOSE:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the financial implication of the burden imposed by the tax under section 194N of the Income Tax Act on primary co-operative societies;
- (b) whether the Government has received any representation/request to withdraw the said tax;
- (c) if so, the details of actions taken in this regard;
- (d) whether the Government intends to withdraw this tax within the ongoing and next financial years;  
and
- (e) if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) The financial implementation of deduction of tax under section 194N of the Income-tax Act, 1961 in case of primary cooperative societies depends on the quantum of cash withdrawn in excess of specified amount, availability of Permanent Account Number and whether such societies have filed their returns of income for specified assessment year.

Credit for the Tax deducted can be claimed at the time of filling of Income tax return and refund may be issued in case actual tax liability is lower than tax credit available. Due to this credit, there is no burden imposed by the tax deduction.

(b) Representations have been received from various stakeholders seeking exemption from the provisions of section 194N of the Income-tax Act, 1961.

(c) Such representation were examined in consultation with the Reserve Bank of India in accordance with the provisions of the said section. However, the same were not found to be feasible.

(d) There is no such proposal.

(e) In view of (d), this does not arise.

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